



Wealth Markets and Commerce



Finance - Economics

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Practically the whole market declined yesterday on moderate offerings. The more highly speculative issues were hardest hit, losses in some cases exceeding 5 points. The decline that has taken place in these issues, particularly the so-called pool stocks, in the last week is significant. It may be regarded as an evidence that those interests which have been behind the manipulation of certain of the specialty stocks are no longer able under the new money market control to obtain the banking credits necessary to support their favorites. A banker who knows whereof he speaks said yesterday in discussing the decline of the pool issues, that in his opinion this was the best thing that could happen to the general market. He described the recent pool operations, which were plainly a bid to get a public following in the market, as "reprehensible." The banker estimated that the total amount of collateral call and total loans outstanding in Wall Street at the present time is approximately \$350,000,000, a comparatively small amount judged by the standard of other years.

Bank clearings continue to expand all over the country. This week's exchanges show an increase of about 9 per cent over the corresponding period of 1917. Rising prices rather than an increase in the total turnover of business account for the continued expansion of clearings.

A few more weeks and the manufacture of pleasure cars will probably have ceased altogether. Henry Ford has already turned his plans to the manufacture of war essentials. Yesterday the financial news chronicled the fact that the Packard Motor Company has stopped the manufacture of passenger cars and from now on will give over its entire plant capacity to war work, including airplane engines, war tractors and motor trucks. War orders are being allotted to most of the automobile manufacturing companies on a large scale, and new business of this character will continue to be placed as long as the war lasts.

Money and Credit

Money market conditions were unchanged yesterday and rates for call loans at the Stock Exchange ruled at 6 to 6 1/2 per cent, with a moderate volume of business being done. There are practically no offerings of fixed date funds being made, although the demand continues fairly heavy. Borrowers are bidding 6 per cent for loans on mixed collateral and 6 1/2 per cent on industrial collateral. Ruling rates for money yesterday, compared with a year ago, were as follows:

Time money (mixed collateral):	Yesterday	Year ago
Sixty days	4 1/2	4 1/2
Ninety days	4 1/2	4 1/2
Four months	4 1/2	4 1/2
Five to six months	4 1/2	4 1/2

Commercial Paper.—A fair amount of discounting is being done on a 6 per cent basis.

Bank Acceptances.—Rates yesterday were as follows:

Spot de- livery	Thirty days	Sixty days	Ninety days
Eligible member banks	4 1/2	4 1/2	4 1/2
Eligible non-member banks	4 1/2	4 1/2	4 1/2
Eligible member banks	4 1/2	4 1/2	4 1/2
Eligible non-member banks	4 1/2	4 1/2	4 1/2

Discount Rates.—The following table gives the current rates of the twelve Federal Reserve banks on commercial paper on all periods up to ninety days:

Bank	Rate
New York	4 1/2
Philadelphia	4 1/2
Cleveland	4 1/2
Richmond	4 1/2
Chicago	4 1/2
St. Louis	4 1/2
Minneapolis	4 1/2
Kansas City	4 1/2
Dallas	4 1/2
San Francisco	4 1/2

Bank Clearings.—Bank clearings in New York and other cities yesterday were:

City	Clearings
New York	\$431,896,216
Boston	\$44,583,845
Philadelphia	\$69,440,268

London Money Rates.—LONDON, Sept. 13.—Money was unchanged at 3 per cent. Discount rates were short

Cotton Price To Be Fixed, If Necessary

President Wilson States War Industries Board Will Direct Investigation

WASHINGTON, Sept. 13.—President Wilson announced today that a fair price for raw cotton will be fixed, if that should be deemed necessary, after the committee to be appointed by the War Industries Board has completed its inquiry into the general cotton situation.

During the investigation a separate committee of three, soon to be named, will buy cotton for the use of the United States government and the Allies at prices to be approved by the President. Since most of the cotton of the country is required for war uses, this government buying is expected to stabilize prices.

The President said that the purpose of the investigation to be conducted by the committee to be named by the War Industries Board is to devise methods for broadening the channels of distribution and use of the great stock of low grades of cotton now practically unmarketable, for eliminating speculation and hoarding, and for apportioning foreign orders.

President Wilson's Statement

The President's statement follows: "The demand for high grade cotton, which is in addition to the available supply, and the fact that the government, through early agreements with the Allies, must act as a common buyer for Allied purchases, make it necessary to secure some basis of distribution of all grades of cotton. Based on the standard grades established by the Department of Agriculture, an effort will be made to provide a way for the sale of low grade cotton will be brought to sale and use along with the high grade cotton at reasonable and just prices."

It is believed that by this course both the cotton and the consumer will be better protected than by continuation of the present chaotic conditions of the market.

The plan is to create, subject to the approval of the President, a cotton committee to devise methods for broadening the channels of distribution and use of the great stock of low grades of cotton now practically unmarketable, for eliminating speculation and hoarding, and for apportioning the foreign orders.

The Dollar in Foreign Exchange

In a quiet foreign exchange market Swiss francs showed further strength yesterday on heavy buying orders. Rates on the Scandinavian countries were firmer, but pesetas displayed an easy tone. French francs and sterling exchange was steady.

Closing rates yesterday compared with a week ago follow:

(Quoted dollars to the pound)	Yesterday	Week ago
Sterling, demand	\$4.75 1/2	\$4.75 1/2
Sterling, sixty days	4.73	4.73
Sterling, cables	4.76 1/2	4.76 1/2
Sterling, ninety days	4.71 1/2	4.71 1/2

(Quoted cents to the dollar)

France, checks	5.47 1/2
France, cables	5.47 1/2
Italy, checks	6.36
Italy, cables	6.35
Swiss, checks	4.35 1/2
Swiss, cables	4.33 1/2

(Quoted cents to the unit)

Guillemets, checks	51
Guillemets, cables	51 1/2
Spain, checks	23.10
Spain, cables	23.10
Sweden, checks	33.70
Sweden, cables	33.70
Denmark, checks	30.25
Denmark, cables	30.46
Norway, checks	31.05
Norway, cables	31.25
Argentina, checks	4.43 1/2
Argentina, cables	4.43 1/2
India, rupees, checks	37 1/2
India, rupees, cables	37 1/2

Below is given the current exchange value of foreign money in dollars and cents, together with the intrinsic gold parity, as calculated by the United States Mint:

Current exchange intrinsic value	Value
Pounds, sterling	\$4.76 1/2
France	\$5.47 1/2
Guillemets	0.48
Rubles	0.13
Liars, checks	0.133
Crowns (Denmark)	0.134
Crowns (Sweden)	0.134

The above rates express the cost of foreign money in terms of the American dollar. You buy an English pound sterling at, say, \$4.76 1/2. The intrinsic parity is \$4.76 1/2 per pound. Thus you say either that pounds are at a discount, which is owing to the fact that in England the demand for dollars with which to settle accounts in this country is greater than the demand in this country for pounds with which to settle accounts in England.

Significant Relations

Money and Prices

Stock of gold money in the country.

Year	Amount
1918	\$3,080,767,000
1917	\$2,800,000,000
1916	\$2,600,000,000
1915	\$2,400,000,000
1914	\$2,200,000,000
1913	\$2,000,000,000
1912	\$1,800,000,000
1911	\$1,600,000,000
1910	\$1,400,000,000
1909	\$1,200,000,000
1908	\$1,000,000,000
1907	\$800,000,000
1906	\$600,000,000
1905	\$400,000,000
1904	\$200,000,000
1903	\$100,000,000
1902	\$50,000,000
1901	\$25,000,000
1900	\$12,500,000
1899	\$6,250,000
1898	\$3,125,000
1897	\$1,562,500
1896	\$781,250
1895	\$390,625
1894	\$195,312
1893	\$97,656
1892	\$48,828
1891	\$24,414
1890	\$12,207
1889	\$6,103
1888	\$3,051
1887	\$1,526
1886	\$763
1885	\$381
1884	\$191
1883	\$95
1882	\$48
1881	\$24
1880	\$12
1879	\$6
1878	\$3
1877	\$1
1876	\$0.50
1875	\$0.25
1874	\$0.12
1873	\$0.06
1872	\$0.03
1871	\$0.01
1870	\$0.00

Loans of all national banks. Their surplus reserves. Bills discounted and bought by Federal Reserve Banks. Federal Reserve notes in circulation. Total gold reserve.

Average price of fifty stocks. Average price of twenty-five bonds. Food cost of living (Annalist index number). General commodity price level (Dun's index number).

Production: Unfilled U. S. Steel orders, tons. Pig iron (daily average), tons.

Wheat crop, bushels. Oat crop, bushels. Corn crop, bushels. Cotton, bales.

Distribution: Gross railroad earnings. Bank clearings. General: Active cotton spindles. Commercial failures (Dun's). Liabilities. Building permits (Bradstreet's). (Includes 14 switching and terminal companies).

Relevant Comment

Bondholders Get An Offer

Pursuant to the recent report of the Equitable Trust Company, showing that between \$7,000,000 and \$8,000,000 has been collected on the \$38,000,000 judgment against the Denver & Rio Grande Railroad for the Western Pacific bondholders, the Western Pacific Railroad Corporation has made an offer to the holders of the bonds of the old company who did not assent to the plan of reorganization. The new company offers five shares of its preferred stock and ten shares of its common stock for each \$1,000 face amount of the bonds, together with an amount of cash equal to all dividends which have been or may be paid prior to October 1, 1918. Bondholders accepting the offer are to surrender their bonds with their right to participate in the judgment and to pay in cash the share which they have received. The bonds out of the proceeds of the foreclosure sale of the Western Pacific Railroad property, with interest at 5 per cent from July 1, 1916, to October 1, 1918.

Marine Shares Turn Weak

International Mercantile Marine preferred, which stood up well under the selling that took place earlier in the week, broke sharply yesterday, reaching 97 1/2 before the decline was checked. At the closing price of 98 1/2 the stock showed a net loss of 1 1/2 points. The weakness, which was also apparent in the common, was attributed to an unfavorable interpretation of the company's annual report, which showed a 22 1/2 per cent increase in earnings, but a 10 per cent decrease in dividends. The 1917 earnings were about what was predicted by President P. A. S. Franklin at the annual meeting last June.

Iron Ore Men Confer

Preparatory to the general meeting in Washington on Wednesday next, the American Iron and Steel Institute, representatives of the iron ore industry had a lengthy conference yesterday in the offices of the United States Steel Corporation. Although the official invitation to the meeting was not issued until last night, it was understood that considerable difference of opinion arose over what should constitute a fair price for the last quarter of the year. The iron ore men were reported, were insistent upon a substantial increase, while the Steel Corporation was said to be content to leave quotations as they are.

Another Star for Morgan Flag

J. P. Morgan & Co. have added another star to their war service flag. John Russell Kiernan, grandson of the late Senator John J. Kiernan, who is in the firm's employ, has been awarded the Naval Aviator Corps.

Pool Stocks Tumble Again

The so-called pool stocks gave away easily yesterday and prices on the rate amount of selling, indicating, as on recent previous stock market sessions, the effect of the money committee's ruling against "excessive speculation." American Smelting and Refining, which opened at 115 1/2, dropped quickly to 110, and at the closing price of 113 1/2 showed a net loss of 2 1/2 points. District Securities broke through Wednesday's low of 50 1/2, and sold down to 44 1/2 before buying orders were sufficient in volume to check the decline. At 50 1/2, the closing price, the stock was up 1 1/2. U. S. Industrial Alcohol, which had been sold down to 11 1/2, a net loss of 2 1/2, the low price on Wednesday was 11 1/2, which up to that time was also the low for the year.

New Discount Company Named

The name of the new discount corporation, which expects to specialize in cotton acceptances, will be the Union Discount Corporation, and it will be authorized to deal in both trade and bankers' discounts and acceptances. Although the personnel of the new enterprise, which is in the process of formation, has not yet been revealed, it is generally believed that Theodore E. Burton, president of the Merchants' National Bank, will head the officers.

British Making Dyes Formerly Imported From Germany

Being deprived by war of a supply of dyes from the main foreign source, the British have made an exhaustive effort to develop a home dye industry. Much progress has been made, and it is stated, and at the British Scientific Products Exhibition opened in London last month the development of the years was clearly shown in several comprehensive exhibits. One tablet contained a large number of coal tar derivatives formerly imported almost exclusively from Germany.

Packers To Be Licensed

WASHINGTON, Sept. 13.—Operations of packers on livestock markets were made subject to Federal license in the same manner as other stockyard dealers by the Food Control Act today by President Wilson, under authority of the food control act. Licenses must be obtained by September 19.

House Balks WarBondRaid By Profiteers

President Given Power to Prohibit Sales After Kitchen Exposes Plot

(Special Dispatch to The Tribune) WASHINGTON, Sept. 13.—Forced to accept an amendment in committee of the house, by a vote of 64 to 52, denying the President the right to prohibit dealing in Liberty bonds, Chairman Kitchen rallied his supporters in the House this afternoon and won back the lost ground by 116 to 31. After this amendment was finally beaten the House passed the bill for the relief of Liberty loan bonds from a certain degree of taxation, substantially as it was introduced by the committee, and on reconsideration adopted it unanimously.

But to win after losing the chairmen had to divulge information that he had not intended to do. Members of both sides of the House were puzzled to know why the Treasury Department wished to have the power given to the President to prohibit transactions in Liberty bonds. Kitchen proposed that a grant of power far beyond the requirements of the problems of stabilizing the bonds.

It had come to the knowledge of the Treasury Department, Kitchen said, in an impassioned speech he took the floor to reverse the parliamentary battle, that syndicates were being formed to speculate in Liberty bonds and buy up small holdings of Liberty bonds with a view of dumping them on the market, even at a loss, thus derailing the price and preparing the way for a future advance. Kitchen said that the Treasury Department had been informed that the syndicates were planning to buy up small holdings of Liberty bonds with a view of dumping them on the market, even at a loss, thus derailing the price and preparing the way for a future advance.

Plot to Corner Bonds

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Hayes Denies Politics

Representative Hayes replied by denying that there was any partisan motive in the matter. He said that he was not a politician and that he was not interested in the Liberty loan. He said that he was only interested in the Liberty loan because it was a patriotic duty and that he was only interested in the Liberty loan because it was a patriotic duty.

Trade Governed by Necessities of War

Reports to the principal commercial agencies this week lead to the conclusion that business throughout the United States is now shaped almost entirely to conform to the needs of the war. A still greater diminution of supply in the market for many commodities is seen as a result of this state of affairs. "Dun's Review" says: "With each succeeding week the country is being placed more completely under the control of the necessities of war. The course of business is now shaped almost wholly by the exigencies of the period. The market for many commodities is being governed by the necessities of war. The course of business is now shaped almost wholly by the exigencies of the period. The market for many commodities is being governed by the necessities of war."

Responsibility on McAdoo

In the beginning of the debate both Mr. Kitchen and Mr. McAdoo, ranking Republican member of the Ways and Means Committee, advocated the bill as introduced. At this stage Mr. Kitchen explained that he was not in favor of the bill because it was a grant of power far beyond the requirements of the problems of stabilizing the bonds. He said that he was only interested in the Liberty loan because it was a patriotic duty and that he was only interested in the Liberty loan because it was a patriotic duty.

Think They Were "Slighted"

Early in the debate Chairman Carter Glass, of that committee, reported his displeasure that a matter planned within the jurisdiction of his committee had not been referred to it. Kitchen explained that this was an oversight. The explanation was entirely satisfactory Mr. Glass and he went on to say that by law the Federal Reserve Board, as well as the Reserve Bank, had already been authorized to take steps to stabilize foreign exchange. Now it was proposed, he said, to confuse the situation by giving the Treasury the same authority. Mr. Glass admitted, however, that neither the banks nor the board had exercised their authority and that it was up to the Treasury to take the necessary steps to stabilize foreign exchange.

Little Wool for Civilians

BOSTON, Sept. 13.—"The Commercial Bulletin" will say to-morrow: "The announcement of the government this week concerning the quantity of wool needed for the military programme, 285,000,000 pounds, and the fact that less than the wool trade had expected and yet it is by no means a small estimate. Indeed, it is sufficiently large so that the allocation of wool for civilian purposes will be deferred for some time to come."

Butter Shortage in Holland

Although famed as a dairy country, Holland is suffering from a butter shortage. The government states that the common stock of butter in Holland has been exported since March 1918. The 473 tons were shipped out of the country, and that in a year exports totalled 8,000 tons only. Holland does not raise all the feed required by its cattle and imports have been shut off for some time.

the Senate Finance Committee, but it is expected that considerable opposition will be offered in the Senate by Senators who are opposed to exempting Liberty bond incomes in any degree from the income surtaxes and the excess war profits provision of the revenue bill.

Oil Shortage Looms, Senators Are Told In Tax Bill Hearing

(Special Dispatch to The Tribune) WASHINGTON, Sept. 13.—Speaking for the oil producing interests before the Senate Finance Committee this morning Judge Henry Covington, a former member of Congress said:

"Unless in this fugitive enterprise of producing oil there is some method to encourage new development, this country faces a serious shortage of oil. The shortage of petroleum and its products at a time when the demand for them is increasing at an extraordinary rate. He argued for a depletion in the bill for oil wells similar to that already granted to mines, and that income derived by the sale of oil wells by individuals should be taxed 20 per cent in lieu of war or excess profits taxes or other income taxes. He objected to classifying gasoline as a luxury."

John E. Shea, of Tulsa, Okla., appeared for the producers of the mid-continent fields and argued that there were no war profits in the business. Adolf Neurad and Mark Goldberg, of New York, protested against the whiskey tax. They said distillers had unloaded all the product they could produce, and that it would be a market for it under proposed increase of the whiskey tax to \$8 a gallon.

Former Congressman John B. Fitzgerald, of Brooklyn, represented the New York taxicab companies, and stated that the proposed tax of 5 per cent on the gross receipts of taxicab owners operating three or more cars would leave his company, at a deficit, after paying the fire tax, the gasoline tax and the automobile tax.

Senator Thomas brought out the statement that the tax really applied only to the taxicab business.

John E. Hedges, of New York, general counsel of the Association of Life Insurance Presidents, told the committee that the normal income tax differential against the life insurance companies was peculiarly against public policy in the case of life insurance companies, as it put a premium on the disposition by the companies of the entire amount of each year's surplus. He argued that it was good policy for the companies to retain something more than their legal surpluses.

James H. McIntosh of the New York Life Insurance Company maintained that the law and the bill discriminated against deferred dividend insurance companies by compelling them to pay taxes on precisely the same sort of income as the companies which did not pay on.

Allot \$500,000 to Fourth Liberty Loan

The first subscription announced in New York City to the fourth Liberty loan will be for bonds to the amount of \$500,000 and made by the Long Island City Savings Bank, according to a statement made last evening by Acosta Nichols, supervisor of the Liberty loan campaign in the city. He said that this was only the initial subscription by this institution, which numbers among its depositors many of the army of war workers in the government plants in that section of New York.

The subscription was made through the Long Island City Liberty Loan Committee, of which John H. Pennington, of the Title Guaranty and Trust Company, is chairman and Walter L. Willis, secretary. At a meeting held last evening at the Queens Chamber of Commerce, in Long Island City, a complete organization was effected for the coming drive. Representatives of more than fifty of the largest manufacturing plants in the district will take a leading part in the campaign.

Regular Declarations

Barnhart Bros. & Spindler.—Quarterly dividends of 1 1/2 per cent on the first and second preferred stocks, both payable November 1 to stockholders of record September 20.

Chatham and Phoenix National Bank.—Quarterly dividend of \$3 a share, payable October 1.

Federal Oil Company.—Quarterly dividend of 2 per cent on the preferred stock, payable October 1 to stockholders of record September 20.

Haskell & Barker Company.—Quarterly dividend of \$1 a share, payable October 1 to stockholders of record September 20.

Julius Kayser & Co.—Quarterly dividends of 2 per cent on the common stock, payable October 1 to stockholders of record September 14.

National Paper and Type Company.—Quarterly dividends of 2 per cent on the common stock and 1 1/2 per cent on the preferred, both payable October 1 to stockholders of record September 30.

Reo Motor Car Company.—Quarterly dividend of 2 1/2 per cent on the common stock, payable October 1 to stockholders of record September 14.

Royal Baking Powder Company.—Quarterly dividends of 1 1/2 per cent on the common stock, payable October 1 to stockholders of record September 14.

Safety Car Heating and Lighting Company.—Quarterly dividend of 1 1/2 per cent on the common stock, payable October 1 to stockholders of record September 14.

Savoy Oil Company.—Quarterly dividend of 3 per cent, payable September 30 to stockholders of record September 14.

Trucon Steel Company.—Dividend of 2 per cent on the common stock, payable October 1 to stockholders of record September 14.

Victor Talking Machine Company.—Quarterly dividends of 1 1/2 per cent on the preferred and 5 per cent on the common stock, both payable October 1 to stockholders of record September 14.

Zuider Zee Will Be Drained. The Dutch are to drain the Zuider Zee, a law authorizing the project having been passed by both Chambers of the Legislature and royally approved. The dry land area added to Holland will be about 53,000 acres and the total cost is estimated at \$89,244,000 at normal exchange. Of the area reclaimed 47,000 acres will be cultivated clay soil.

Executors Chartered 1822

The Farmers' Loan and Trust Company

Nos. 16, 18, 20 & 22 William Street
Branch Office, 475 Fifth Avenue
At Forty-first Street
New York

London Paris
Foreign Exchange
Administrator
Member Federal Reserve Bank and New York Clearing House

News Digest

Foreign

London Market Quiet.—LONDON, Sept. 13.—While the excellent war news of the American advance caused a good impression in the stock market and was responsible for the maintenance of a confident undertone, some week-end profit taking made the market look shaky. The price of Liberty bonds was depressed by a heavy realization of other securities. Business was generally quiet. The Russian issues weak.